

Marie M. Rongone
Assistant Regional Counsel
United States Environmental
Protection Agency
Region IX
75 Hawthorne St., ORC-3
San Francisco, CA 94105
(415) 744-1313

SFUND RECORDS CTR
SDMS #48814

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

IN THE MATTER OF:)	
San Fernando Valley Area 1)	Docket Number 98-10
)	
UNDER THE AUTHORITY OF THE)	AGREEMENT AND COVENANT
COMPREHENSIVE ENVIRONMENTAL)	NOT TO SUE
RESPONSE, COMPENSATION, AND)	HOWARD, L.L.C.
LIABILITY ACT OF 1980, 42 U.S.C.)	
§ 9601, <u>et seq.</u> , as amended.)	
)	
)	

I. INTRODUCTION

This Agreement and Covenant Not to Sue ("Agreement") is made and entered into by and between the United States Environmental Protection Agency ("EPA") and Howard, L.L.C. (collectively the "Parties").

This Agreement is entered into pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9601, et seq. and the authority of the Attorney General of the United States to compromise and settle claims of the United States.

Howard, L.L.C. is a California limited liability company located at 1819 West Olive Avenue, Burbank, California, 91506 (hereinafter "Settling Respondent"). Settling Respondent is engaged in commercial and residential real estate development.

As further described below, Settling Respondent proposes to acquire and develop the property located at 2829 North Ontario Street and 3000 San Fernando Road in Burbank, California (hereinafter "the Property"), for the purpose of development and subsequent commercial rental.

The Parties agree to undertake all actions required by the terms and conditions of this Agreement. The purpose of this Agreement is to settle and resolve, subject to reservations and limitations contained in Sections VII, VIII, IX, and X, the potential liability of the Settling Respondent for the Existing Contamination (as defined in Section II, Definitions, of this Agreement) at the Property that would otherwise result from Settling Respondent becoming the owner of the property.

The Parties agree that the Settling Respondent's entry into this Agreement, and the actions undertaken by the Settling Respondent in accordance with the Agreement, do not constitute an admission of any liability by the Settling Respondent.

The resolution of this potential liability, in exchange for provision by the Settling Respondent to EPA of a substantial benefit, is in the public interest.

II. DEFINITIONS

Unless otherwise expressly provided herein, terms used in this Agreement which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations, including any amendments thereto.

1. "EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

2. "Existing Contamination" shall mean any hazardous substances, pollutants or contaminants, present or existing on or under the Site as of the effective date of this Agreement.

3. "Parties" shall mean EPA and the Settling Respondent.

4. "Property" shall mean that portion of the Site which is described in Exhibit 1 of this Agreement. The Property consists of three parcels comprising approximately 12.72 acres and is located at 2820 Ontario Street and 3000 San Fernando Road, Burbank, California.

5. "Settling Respondent" shall mean Howard, L.L.C.

6. "Site" shall mean the San Fernando Valley Area 1 (North Hollywood) Site, located generally in the vicinity of Burbank and North Hollywood, California. The Site includes the North Hollywood and Burbank Operable Units. The Site shall include the Property, and all areas to which hazardous substances and/or pollutants or contaminants, have come to be located.

7. "United States" shall mean the United States of America, its departments, agencies, and instrumentalities.

III. STATEMENT OF FACTS

8. EPA has been conducting investigation and cleanup of contamination by volatile organic compounds ("VOCs") to groundwater at the Burbank Operable Unit since 1989. The Property is located within the Burbank Operable Unit.

9. The Property was owned by PH Burbank Holdings, Inc. ("PH Burbank") until February 27, 1998, when Settling Respondent took title to the Property.

10. Based upon VOC contamination at the Property, EPA has included PH Burbank in EPA enforcement actions at the Burbank Operable Unit. In addition, the Los Angeles Regional Water Quality Control Board ("RWQCB") has required PH Burbank to conduct remediation work at the Property including the installation of a soil vapor extraction system on the Property.

11. As part of the contract for sale of the Property to Settling Respondent, PH Burbank has agreed with Settling Respondent that PH Burbank will continue to comply with any and all RWQCB requirements for remediation work at the Property. In addition, PH Burbank has entered into a consent decree with EPA concerning EPA's selected interim remedy at the Burbank Operable Unit.

12. The San Fernando Valley was for over fifty years a principal location for the aerospace, defense and related industries. Those industries largely vacated the area in the 1980's, leaving behind many contaminated properties that EPA, the RWQCB and other governmental agencies included in remediation and

enforcement actions in the area. Prospective purchasers of such properties were discouraged from purchasing and re-developing such properties by concerns that they would be held liable to investigate and clean up Existing Contamination.

13. Settling Respondent intends to develop the Property as a multiple building development that would house approximately 500-550 employees and that would be suitable for commercial leasing to a motion picture production company. Motion picture and television production are among the most important and fastest-growing industries in the San Fernando Valley.

14. The Settling Respondent represents, and for the purposes of this Agreement, EPA relies on those representations, that Settling Respondent's involvement with the Property and the Site has been limited to its position as a prospective and ultimate purchaser of the Property and Settling Respondent has had no other involvement with the Property.

IV. PAYMENT

15. In consideration of and in exchange for the United States' Covenant Not to Sue in Section VIII herein, Settling Respondent agrees to pay to EPA the sum of \$ 150,000, within 30 (thirty) days of the conclusion of the thirty-day public comment period provided by Section XXI (Public Comment). The Settling Respondent shall make all payments required by this Agreement in the form of a certified check or checks made payable

to "EPA Hazardous Substance Superfund," referencing the EPA Region, EPA Docket number, and Site/Spill ID # 09L6, DOJ case number 90-11-2-442, at the following address:

U.S. EPA
Region IX, Attn: Superfund Accounting
P.O. Box 360863M
Pittsburgh, PA 15251

Notice of payment shall be sent to those persons listed in Section XV (Notices and Submissions) and to the EPA Region IX Financial Management Officer:

Catherine Shen
Financial Management Specialist (PMD-6)
USEPA Region IX
75 Hawthorne St.
San Francisco, CA 94105

The total amount to be paid to EPA shall be placed in the Burbank Operable Unit Special Account and used to conduct or finance the response actions at or in connection with the Burbank Operable Unit. Any balance remaining in the Burbank Operable Unit Special Account at the completion of the response at or in connection with the Burbank Operable Unit shall be deposited in the EPA Hazardous Substance Superfund.

16. Amounts due and owing pursuant to the terms of this Agreement but not paid in accordance with the terms of this Agreement shall accrue interest at the rate established pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), compounded on an annual basis.

V. ACCESS/NOTICE TO SUCCESSORS IN INTEREST

17. Commencing upon the date that it acquires title to the Property, Settling Respondent agrees to provide to EPA, its authorized officers, employees, representatives, and all other persons performing response actions under EPA oversight, an irrevocable right of access at all reasonable times to the Property and to any other property to which access is required for the implementation of response actions at the Site, to the extent access to such other property is controlled by the Settling Respondent, for the purposes of performing and overseeing response actions at the Site under federal and/or state law. EPA agrees to provide reasonable notice to the Settling Respondent of the timing of response actions to be undertaken at the Property. Notwithstanding any provision of this Agreement, EPA retains all of its access authorities and rights, including enforcement authorities related thereto, under CERCLA, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, ("RCRA") et. seq., and any other applicable statute or regulation, including any amendments thereto.

18. Within 30 (thirty) days after the effective date of this Agreement, the Settling Respondent shall record a certified copy of this Agreement with the Recorder's Office or Registry of Deeds or other appropriate office, Los Angeles County, State of California. Thereafter, each deed, title, or other instrument conveying an interest in the Property shall contain a notice

stating that the Property is subject to this Agreement. A copy of these documents shall be sent to the persons listed in Section XV (Notices and Submissions).

19. The Settling Respondent shall ensure that assignees, successors in interest, lessees, and sublessees of the Property shall provide the same access and cooperation. The Settling Respondent shall ensure that a copy of this Agreement is provided to any current lessee or sublessee on the Property as of the effective date of this Agreement and shall ensure that any subsequent leases, subleases, assignments or transfers of the Property or an interest in the Property are consistent with this Section, and Section XI (Parties Bound/Transfer of Covenant), of the Agreement.

VI. DUE CARE/COOPERATION

20. The Settling Respondent shall exercise due care at the Site with respect to the Existing Contamination and shall comply with all applicable local, state, and federal laws and regulations. The Settling Respondent recognizes that the implementation of response actions at the Site may interfere with the Settling Respondent's use of the Property, and may require closure of its operations or a part thereof. The Settling Respondent agrees to cooperate fully with EPA in the implementation of response actions at the Site and further agrees not to interfere with such response actions. EPA agrees, consistent with its responsibilities under applicable law, to use reasonable efforts to minimize any interference with the Settling

Respondent's operations by such entry and response. In the event the Settling Respondent becomes aware of any action or occurrence that causes or threatens a release of hazardous substances, pollutants or contaminants at or from the Site, that constitutes an emergency situation, or that may present an immediate threat to public health or welfare or the environment, Settling Respondent shall immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, and shall, in addition to complying with any applicable notification requirements under Section 103 of CERCLA, 42 U.S.C. §9603, or any other law, immediately notify EPA of such release or threatened release.

VII. CERTIFICATION

21. By entering into this agreement, the Settling Respondent certifies that to the best of its knowledge and belief it has fully and accurately disclosed to EPA all information known to Settling Respondent and all information in the possession or control of its officers, directors, employees, contractors and agents that relates in any way to any Existing Contamination or any past or potential future release of hazardous substances, pollutants or contaminants at or from the Site and to its qualification for this Agreement. The Settling Respondent also certifies that to the best of its knowledge and belief it has not caused or contributed to a release or threat of release of hazardous substances or pollutants or contaminants at the Site. If the United States determines that information

provided by Settling Respondent is not materially accurate and complete, the Agreement, within the sole discretion of the United States, shall be voidable by the United States and the United States reserves all rights it may have.

VIII. UNITED STATES' COVENANT NOT TO SUE

22. Subject to the Reservation of Rights in Section IX of this Agreement, upon payment of the amount specified in Section IV (Payment), of this Agreement, the United States covenants not to sue or take any other civil or administrative action against Settling Respondent for any and all civil liability for injunctive relief or reimbursement of response costs pursuant to Sections 106 or 107(a) of CERCLA, 42 U.S.C. §§ 9606 or 9607(a) with respect to the Existing Contamination.

IX. RESERVATION OF RIGHTS

23. The covenant not to sue set forth in Section VIII above does not pertain to any matters other than those expressly specified in Section VIII (United States' Covenant Not to Sue). The United States reserves and the Agreement is without prejudice to all rights against Settling Respondent with respect to all other matters, including but not limited to, the following:

(a) claims based on a failure by Settling Respondent to meet a requirement of this Agreement, including but not limited to Section IV (Payment), Section V (Access/Notice to Successors in Interest), Section VI (Due Care/Cooperation), and Section XIV (Payment of Costs);

(b) any liability resulting from past or future releases of

hazardous substances, pollutants or contaminants at or from the Site, caused or contributed to by Settling Respondent, its successors, assignees, lessees or sublessees;

(c) any liability resulting from exacerbation by Settling Respondent, its successors, assignees, lessees or sublessees, of Existing Contamination;

(d) any liability resulting from the release or threat of release of hazardous substances, pollutants or contaminants at the Site after the effective date of this Agreement, not within the definition of Existing Contamination;

(e) criminal liability;

(f) liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessment incurred by federal agencies other than EPA; and

(g) liability for violations of local, state or federal law or regulations.

24. With respect to any claim or cause of action asserted by the United States, the Settling Respondent shall bear the burden of proving that the claim or cause of action, or any part thereof, is attributable solely to Existing Contamination.

25. Nothing in this Agreement is intended as a release or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, that the United States may have against any person, firm, corporation or other entity not a party to this

Agreement.

26. Nothing in this Agreement is intended to limit the right of EPA to undertake future response actions at the Site or to seek to compel parties other than the Settling Respondent to perform or pay for response actions at the Site. Nothing in this Agreement shall in any way restrict or limit the nature or scope of response actions that may be taken or be required by EPA in exercising its authority under federal law. Settling Respondent acknowledges that it is purchasing property where response actions may be required.

X. SETTLING RESPONDENT'S COVENANT NOT TO SUE

27. In consideration of the United States' Covenant Not To Sue in Section VIII of this Agreement, the Settling Respondent hereby covenants not to sue and not to assert any claims or causes of action against the United States, its authorized officers, employees, or representatives, with respect to the Site or this Agreement, including but not limited to, any direct or indirect claims for reimbursement from the Hazardous Substance Superfund established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507, through CERCLA Sections 106(b)(2), 111, 112, 113, or any other provision of law, any claim against the United States, including any department, agency or instrumentality of the United States under CERCLA Sections 107 or 113 related to the Site, or any claims arising out of response activities at the Site, including claims based on EPA's oversight of such activities or approval of plans for such activities.

28. The Settling Respondent reserves, and this Agreement is without prejudice to, actions against the United States based on negligent actions taken directly by the United States, not including oversight or approval of the Settling Respondent's plans or activities, that are brought pursuant to any statute other than CERCLA or RCRA and for which the waiver of sovereign immunity is found in a statute other than CERCLA or RCRA. Nothing herein shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

XI. PARTIES BOUND/TRANSFER OF COVENANT

29. This Agreement shall apply to and be binding upon the United States, and shall apply to and be binding on the Settling Respondent, its officers, directors, employees, and agents. Each signatory of a Party to this Agreement represents that he or she is fully authorized to enter into the terms and conditions of this Agreement and to legally bind such Party.

30. Notwithstanding any other provisions of this Agreement, all of the rights, benefits and obligations conferred upon Settling Respondent under this Agreement may be assigned or transferred to any person with the prior written consent of EPA in its sole discretion.

31. The Settling Respondent agrees to pay the reasonable costs incurred by EPA to review any subsequent requests for consent to assign or transfer the Property.

32. Transfer, Assignment or Lease of Property

- a. In the event of an assignment or transfer of the Property or an assignment or transfer of an interest in the Property, the assignor or transferor shall continue to be bound by all the terms and conditions, and subject to all the benefits of this Agreement, except as EPA and the assignor or transferor agree otherwise and accordingly modify this Agreement in writing. Moreover, prior to or simultaneous with any assignment or transfer of the Property, the assignee or transferee must consent in writing to be bound by the terms of this Agreement including but not limited to the certification requirement in Section VII of this Agreement in order for the Covenant Not to Sue in Section VIII to be available to that party. The Covenant Not To Sue in Section VIII shall not be effective with respect to any assignees or transferees who fail to provide such written consent to EPA.
- b. Any lessee or sublessee on the Property may obtain the rights and benefits of this Agreement, including any right under Section VIII (Contribution Protection), by providing to EPA, prior to the date of tenancy, the written certification set forth in Exhibit 2. However, if at any time EPA determines that the lessee's certification is not materially accurate or complete, the Covenant Not to Sue and Contribution Protection

shall be null and void with respect to the lessee, and the United States reserves all rights it may have against the lessee. Any lessee that is unable to provide the written certification set forth in Exhibit 3 may obtain the rights and benefits of this Agreement only by complying with the transfer requirements of paragraph 32.a. Whenever a lessee who has obtained the rights and benefits of this Agreement pursuant to this paragraph or paragraph 32 vacates the Property, Settling Respondent shall provide EPA written notice of the vacancy within thirty (30) days of the date upon which the lessee vacates.

XII. DISCLAIMER

33. This Agreement in no way constitutes a finding by EPA as to the risks to human health and the environment which may be posed by contamination at the Property or the Site nor constitutes any representation by EPA that the Property or the Site is fit for any particular purpose.

XIII. DOCUMENT RETENTION

34. The Settling Respondent agrees to retain and make available to EPA all business and operating records, contracts, site studies and investigations, and documents relating to operations at the Property for at least ten years following the effective date of this Agreement unless otherwise agreed to in writing by the Parties. At the end of ten years, the Settling Respondent shall notify EPA of the location of such documents and

shall provide EPA with an opportunity to copy any documents at the expense of EPA.

XIV. PAYMENT OF COSTS

35. If the Settling Respondent fails to comply with the terms of this Agreement, including, but not limited to, the provisions of Section IV (Payment) of this Agreement, Settling Respondent shall be liable for all litigation and other enforcement costs incurred by the United States to enforce this Agreement or otherwise obtain compliance.

XV. NOTICES AND SUBMISSIONS

36. Notices and submissions required to be made under this Agreement shall be sent to the following persons:

Notices to Settling Respondent shall be sent to:

Howard, L.L.C.
Attention: Brad Howard
1819 West Olive Avenue
Burbank, CA 91506

Stark, Rasak & Clarke
Attention: Stephen C. Rasak, Esq.
20355 Hawthorne Blvd., 1st floor
Torrance, CA 90503

Notices to EPA shall be sent to:

Marie M. Rongone
Assistant Regional Counsel
ORC-3
U.S. EPA Region IX
75 Hawthorne St.
San Francisco, CA 94105

with copies to:

Diane Strassmaier
Remedial Project Manager
Burbank Operable Unit
SFD-7-4
U.S. EPA Region IX
75 Hawthorne St.
San Francisco, CA 94105

and

William Weinischke
Department of Justice
P.O. Box 7711, Ben Franklin
Station
Washington, D.C. 20044

XVI. EFFECTIVE DATE

37. Settling Respondent took possession or control of the Property, at its own risk, on February 27, 1998, before EPA completed preparation of this Agreement, and before publication of this Agreement, public comment on this Agreement, and Superfund Division Director and Assistant Attorney General consent to or execution of this Agreement. If the Superfund Division Director and the Assistant Attorney General execute this Agreement and the United States does not withdraw its consent to this Agreement after reviewing public comments, then the effective date of this Agreement shall be the date upon which Settling Respondent took possession or control of the Property. If the Superfund Division Director or the Attorney General does not execute this Agreement, or if EPA withdraws or modifies its consent to this Agreement after reviewing public comments, then there is no Agreement and no effective date.

XVII. TERMINATION

38. If any Party believes that any or all of the obligations under Section V (Access/Notice to Successors in Interest) are no longer necessary to ensure compliance with the requirements of the Agreement, that Party may request in writing that the other Party agree to terminate the provision(s) establishing such obligations; provided, however, that the provision(s) in question shall continue in force unless and until the party requesting such termination receives written agreement from the other party to terminate such provision(s).

XVIII. CONTRIBUTION PROTECTION

39. With regard to claims for contribution against Settling Respondent, the Parties hereto agree that the Settling Respondent is entitled to protection from contribution actions or claims as provided by CERCLA Section 113(f)(2), 42 U.S.C. § 9613(f)(2) for matters addressed in this Agreement. The matters addressed in this Agreement are all response actions taken or to be taken and response costs incurred or to be incurred by the United States or any other person for the Site with respect to the Existing Contamination.

40. The Settling Respondent agrees that with respect to any suit or claim for contribution brought by it for matters related to this Agreement it will notify the United States in writing no later than 60 (sixty) days prior to the initiation of such suit or claim.

41. The Settling Respondent also agrees that with respect to any suit or claim for contribution brought against it for

Prospective Purchaser Agreement
Howard, L.L.C.

matters related to this Agreement it will notify in writing the United States within 10 (ten) days of service of the complaint on them.

XIX. EXHIBITS

42. Exhibit 1 shall mean the attached description of the Property that is the subject of this Agreement.

XXI. PUBLIC COMMENT

43. This Agreement shall be subject to a thirty-day public comment period, after which EPA may modify or withdraw its consent to this Agreement if comments received disclose facts or considerations which indicate that this Agreement is inappropriate, improper or inadequate.

Prospective Purchaser Agreement
Howard, L.L.C.

IT IS SO AGREED:

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
BY:

Keith Takata
Keith Takata
Director, Superfund Division
Region IX

6-30-98

Date

IT IS SO AGREED:
BY:

Acting
[Signature]
Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice

Date

IT IS SO AGREED:
BY:

[Signature]
Howard, L.L.C.

members

5/1/98

Date

Prospective Purchaser Agreement
Howard, L.L.C.

Exhibit 1

PARCEL 1:

PARCEL 1 OF PARCEL MAP NO. 14490, IN THE CITY OF BURBANK, AS PER MAP FILED IN BOOK 154 PAGES 80 TO 82 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL MINERALS, OILS, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN, OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG, OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM THE STATE OF CALIFORNIA, RECORDED OCTOBER 13, 1964 IN BOOK D-2660 PAGE 594, OFFICIAL RECORDS, MAP FILED IN BOOK 154, PAGES 80 TO 82 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL MINERALS, OILS, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN, OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG, OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM THE STATE OF CALIFORNIA, RECORDED OCTOBER 13, 1964 IN BOOK D-2660 PAGE 594, OFFICIAL RECORDS.

PARCEL 3:

PARCEL 2 OF PARCEL MAP NO. 14490, IN THE CITY OF BURBANK, AS PER MAP FILED IN BOOK 154 PAGES 80 TO 82 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL MINERALS, OILS, GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN, OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED WITHOUT, HOWEVER, THE RIGHT TO DRILL, DIG, OR MINE THROUGH THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM THE STATE OF CALIFORNIA, RECORDED OCTOBER 13, 1964 IN BOOK D-2660 PAGE 594, OFFICIAL RECORDS.

PARCEL 4:

THAT PORTION OF LOT 3, TRACT NO. 2608, IN THE CITY OF BURBANK, AS SHOWN ON MAP RECORDED BOOK 25 PAGE 71 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY FIRSTLY DESCRIBED IN THE DEED TO THE CITY OF BURBANK, RECORDED AUGUST 31, 1955 AS DOCUMENT NO. 3239 IN BOOK 48829 PAGE 320 ET SEQ., OF OFFICIAL RECORDS IN THE OFFICE OF SAID COUNTY RECORDER, LYING NORTHWESTERLY OF THAT CERTAIN LINE BEARING NORTH 39°21'48" EAST 383.22 FEET AND MORE PARTICULARLY DESCRIBED IN RELINQUISHMENT NO. 212, RECORDED APRIL 2, 1965 AS DOCUMENT NO. 1769 IN BOOK R2221 PAGES 122 TO 124 OF OFFICIAL RECORDS IN THE OFFICE OF SAID COUNTY RECORDER.

Prospective Purchaser Agreement
Howard, L.L.C.

Exhibit 2

Prospective Purchaser Agreement
Howard, L.L.C.

Exhibit 2

**LESSEE'S CERTIFICATION OF COMPLIANCE WITH AGREEMENT
AND COVENANT NOT TO SUE**

CERTIFIED MAIL

Marie M. Rongone
Assistant Regional Counsel, ORC-3
United States Environmental
Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

Re: Lessee's Certification of Compliance With Agreement and
Covenant Not to Sue, Docket No. 98-10, Burbank Operable Unit, San
Fernando Valley Superfund Site Area 1 (North Hollywood).

In accordance with paragraph 33 of the Agreement and
Covenant Not to Sue, Docket No. 98-10 ("Agreement"), the
undersigned party ("Lessee") hereby notifies the U.S.
Environmental Protection Agency ("EPA") that it intends to lease
all or a portion of the real property that is the subject of the
Agreement. The Agreement was originally entered into by and
between EPA and Howard, L.L.C. and concerns the real property
located at 2820 Ontario Street and 3000 San Fernando Road,
Burbank, California, more particularly described in Exhibit 1 to
the Agreement.

**[Insert a paragraph that identifies: (1) the parties to the
lease; (2) a description of the portion of the property to be
leased; and (3) the effective date and term of the lease.]**

Lessee acknowledges that it has reviewed the Agreement and
any modifications and notices thereto. Pursuant to paragraph 33
of Section XI of the Agreement (Parties Bound/Transfer of
Covenant), Lessee hereby agrees and certifies that:

(1) Lessee has not cause or contributed to the release or
threat of release of any amount of the Existing Contamination;

(2) Lessee will not, over the course of any 12-month period,
generate, use or store any hazardous substance or extremely
hazardous substance, as defined in 42 U.S.C. §§ 9602(a),
11002(a), at the Property;

(3) Lessee will not use the Property in any manner that
could cause or contribute to the migration or release of any
Existing Contamination;

Prospective Purchaser Agreement
Howard, L.L.C.

(4) Lessee will permit access to the Property as set forth in paragraph 17 of the Agreement;

(5) Lessee will exercise due care at the Site and cooperate with EPA as set forth in paragraph 20 of the Agreement;

(6) Lessee will not interfere with response actions taken on or around the Property; and

(7) Lessee will be bound by and subject to the terms of the Agreement, and will act consistent with the terms of the Agreement.

Upon submission of this letter to EPA, Lessee shall have the rights and benefits set forth in Sections VIII (United States' Covenant Not to Sue) and XVII (Contribution Protection) of the Agreement with respect to the leased portion of the Property. However, if at any time EPA determines that Lessee's certification is materially inaccurate or incomplete, the covenant Not to Sue and Contribution Protection shall be null and void with respect to Lessee, and the United States reserves all rights it may have against Lessee.

Notices and submissions required under the Agreement that affect Lessee's interest in the Property shall be sent to the following contact persons for Lessee:

[insert contact information for Lessee]

So Acknowledged and Agreed

Name and Title

Name of Business

Date



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

January 11, 1999

Writer's Direct Dial:
(415) 744-1313

VIA FACSIMILE AND U.S. MAIL

Stephen C. Rasak
Stark, Rasak & Clarke
20355 Hawthorne Blvd.
Torrance, CA 90503

Re: 2820 Ontario Street and 3000 San Fernando Road,
Burbank, California

Dear Mr. Rasak:

The public comment period on the Prospective Purchaser Agreement ("PPA") for the above-referenced properties was published in the Federal Register on December 10, 1998. The thirty-day period accordingly expired on January 9, 1999. EPA received no comments on the PPA. Your client's payment under the PPA therefore will be due on Monday, February 8, 1998, which is thirty days after the expiration of the comment period. Thank you for your courtesy and cooperativeness throughout the process. If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, reading "Marie M. Rongone", is written over the typed name.

Marie M. Rongone
Assistant Regional Counsel

cc: Diane Strassmaier, Remedial Project Manager
William Weinischke, U.S. Department of Justice (via
facsimile only)

bcc: Bill Keener, Esq.
Lisa Ouyang, SFD-7
Catherine Shen, PMD-6